

OIL AND GAS LEASE

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THIS LEASE is made and entered into to be effective April 1, 2008, deemed the Effective Date, between First Financial Trust & Asset Management Co., N.A., Trustee of John Joseph Matthews Revocable Trust and of James Alexander Matthews Revocable Trust referred to as Lessor, whose address is P.O. Box 701; Abilene, TX 79604, and, L.W. Lesikar, referred to as Lessee, whose address is P.O. Box 121788; Fort Worth, TX 76121.

1. Lessor, in consideration of Ten Dollars and other valuable consideration (\$10.00 & OVC), the receipt and sufficiency of which is acknowledged, and for the royalties reserved in this Lease, GRANTS, LEASES, and LETS the lands described below, exclusively to Lessee, for the purpose of exploring, drilling, producing and owning, oil, gas, and all other minerals produced with them, and conducting all activities necessary or reasonably incident to the exploration for, operations in search of, and production of oil, gas, and other minerals. The lands subject to this Lease (referred to as the "land" or the "leased premises") are located in Tarrant County, Texas, and are described as follows:

Lot 3, Block 2, CLIFFORD VILLAGE to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in Cabinet A, Slide 4632, Deed Records of Tarrant County, Texas, and as ratified in instrument recorded in Volume 13648, Page 236, Deed Records of Tarrant County, Texas and containing 2.431 acres more or less.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

~~This Lease also covers and includes land owned or claimed by Lessor adjacent or contiguous to the land described above, whether in the same or adjacent surveys, although not included within the boundaries of the land described above, and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, or unrecorded instrument, or (b) as to which Lessor has a preferential right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of the land. For the purpose of determining the amount of any payments provided for in this Lease, the land shall be deemed to contain 2.431 acres, whether actually containing more or less, and the recital or acreage in any tract shall be deemed to be the true acreage in each tract. Lessor accepts the bonus as consideration for this Lease and all rights under it.~~

2. This is a Paid Up Lease. No payments are due Lessor during the primary term except the payment of royalty as provided for in paragraph 3. Subject to its other provisions, this Lease shall be for a term of 3 YEARS from the Effective Date (the "primary term") and as long thereafter as operations are being conducted on the leased premises or lands pooled with it, or oil, gas or other minerals are produced from the land or land with which the land is pooled under the terms of this Lease, or this Lease is maintained by any of its other provisions. If, at the end of the primary term Lessee has drilled and abandoned a well on the leased premises, or lands pooled with it, this Lease shall not terminate at the end of the primary term, if Lessee, within 180 days of the end of the primary term, commences additional operations on the Leased premises, or lands pooled with it, which operations shall be deemed operations during the primary term of this Lease and serve to maintain it in full force and effect. When used in this Lease, the term "operations" means: ~~placing equipment on location, surface location preparation or maintenance, drilling; testing; completing; reworking; recompleting; deepening; plugging back or repair of a well in search of or in an endeavor to obtain production of oil, gas, or other minerals; or, production of oil, gas, or other minerals, whether or not in paying quantities.~~

3. Lessee reserves as royalty, and Lessee agrees to pay Lessor as royalty on oil, other liquid hydrocarbons, and non-gaseous minerals produced and saved from the leased premises (the "oil"), 1/4 part of the net amount received by Lessee for the sale of the oil at the time it is run from the storage tanks, or into the pipeline to which the well or wells on the leased premises are connected. In either case, Lessor's interest shall bear the stated part of all taxes, and costs of treating the oil to render it marketable. Lessee shall pay Lessor as royalty on gas and casinghead gas produced from the leased premises 1/4 of the net amount received by Lessee for the gas if sold at the wellhead, at a location on the leased premises, or on lands with which the leased premises are pooled, with Lessor's share of those proceeds to bear its proportionate share of all taxes, ~~and costs incurred by Lessee in delivering, processing, compressing, or otherwise making the gas merchantable or enhancing its marketability.~~ On all other gas and casinghead gas, Lessee shall pay Lessor as royalty 1/4 of the net amount received by Lessee for the gas so sold, less its proportionate share of all taxes, ~~costs of transportation, compression, processing, treating, and all other costs of marketing.~~ For all gas sold, Lessor shall bear its proportionate share of all adjustments for heating content, shrinkage, and deductions for impurities. At the expiration of the primary term or at any later time or times, if there is a well or wells on the land or on lands with which the land or any portion of it has been pooled, capable of producing oil or gas, and all wells are shut-in, this Lease shall, nevertheless, continue in force as though operations were being conducted on the land for so long as the wells are shut-in, and Lessee pays the shut-in royalty provided below, and then this Lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from the wells, but in the exercise of diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble, or to market oil or gas on terms unacceptable to Lessee. If, at any time after the expiration of the primary term of this Lease, all the wells, oil or gas, on the leased premises, or lands pooled with it, are shut in and this Lease is not otherwise maintained in effect, Lessee may pay or tender, by its check or draft, as shut in royalty, an amount equal to One Dollar (\$1.00) for each acre of land then covered by this Lease (the "shut-in royalty"), on or before the end of each 12 month period during which all wells on the leased premises, or lands pooled with it, are shut in and oil and gas is not being produced, sold, or used, and this Lease is not otherwise being maintained. Each payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this Lease if the wells were producing, or may be deposited in the (mailed to Lessor at the above address), or its successors, which shall continue as the depository bank for the parties, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive payments, Lessee, at its election, may, in lieu of any other method of payment provided for in this Lease, pay or tender shut-in royalty, in the manner specified above, either jointly to the parties or separately to each in accordance with their respective ownership. Any payment may be made by Lessee's check or draft, deposited in the mail or delivered to the party entitled to receive payment, or to the depository bank provided for above, on or before the last date for payment. Lessee's failure to pay, or to properly pay or tender any sum due as shut in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this Lease. Nothing in this Lease shall impair Lessee's right to release this Lease, in whole or in part, as provided in paragraph 5, below. In the event of assignment of this Lease, in whole or in part, liability for any payments of any sums which may be due under this Lease, shall rest exclusively on the then owners of this Lease, severally as to acreage owned by each, and the original Lessee, or an assignee will have no obligation for royalties payable on production after an assignment to a subsequent or successor lessee or assignee.

4. At its option, Lessee is granted the right and authority to pool, unitize, or combine the land covered by this Lease or any portion of it as to oil and/or gas, with any other land covered by this Lease, and/or with any other land, lease, or leases in the immediate vicinity of the leased premises, when in Lessee's judgment it is necessary or advisable to do so in order to explore, develop, and operate the leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and/or gas in and under and that may be produced from the leased premises. Units pooled for oil shall not substantially exceed 40 acres each in area, and units pooled for gas shall not substantially exceed 160 acres each in area, plus, in both instances, a tolerance of ten percent (10%); provided, should a governmental authority having jurisdiction ~~require~~ the creation of units larger than those specified, for the drilling or operation of a well, drilled either vertically or horizontally, to comply with existing or subsequently established field rules, or for obtaining a greater allowable from any well to be drilled, drilling, or already drilled, units created may conform substantially in size with those ~~required~~ by applicable governmental regulations, now in existence, or later enacted.

Lessee may pool or combine acreage covered by this Lease or any portion of it as to oil and/or gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the Lease is pooled or combined as to any other stratum or strata, and oil units need not conform to the area within gas units. Pooling in one or more instances shall not exhaust the rights of the Lessee to pool this Lease or portions of it into other units. On execution by Lessee of an instrument describing and designating the pooled acreage as a pooled unit, the unit shall be effective as to all parties, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in the unit. Within a reasonable time following the execution of the instrument designating the pooled unit, Lessee shall file the instrument for record in the appropriate records of the county in which the leased premises are located. ~~Any unit formed may be revised, re-formed, increased, or decreased in size, or changed in configuration, at the election of Lessee, at any time either before or after commencement of operations or production from the unit well. Lessee may, at any time, at its election, dissolve or terminate any unit formed, by written instrument filed for record in the county where the land is located, which instrument shall specify the date of termination of the unit.~~

Lessee may exercise its right to pool at any time and from time to time, while this Lease is in force and effect, whether before or after commencing operations, completing an oil or gas well, or establishing production on the leased premises, or on any land pooled or unitized with the leased premises. Any operations for drilling on or production of oil or gas from a pooled unit which includes all or a part of the leased premises, regardless of whether the operations for drilling were commenced, or the production was secured, before or after the execution of this Lease or the instrument designating the pooled unit, shall be considered operations for drilling on or production of oil and/or gas from land covered by this Lease, whether or not the well or wells is located on the leased premises. In that event, operations for drilling shall be deemed to have been commenced on the leased premises within the meaning of this Lease; and, the entire acreage constituting the unit or units, as to oil and/or gas, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this Lease.

*of the market value, but never less than

For the purpose of computing the royalties to which owners of royalties and payments out of production shall be entitled on production of oil and/or gas from a pooled unit, there shall be allocated to the land covered by this Lease and included in a unit (or to each separate tract within the unit if this Lease covers separate tracts within the unit) a pro rata portion of the oil and/or gas, produced from the pooled unit after deducting that used for operations on the lease or pooled unit. The allocation shall be on an acreage basis; i.e., there shall be allocated to the acreage covered by this Lease and included in the pooled unit (or to each separate tract within the unit if this Lease covers separate tracts within the unit) that pro rata portion of the oil and/or gas, produced from the pooled unit which the number of surface acres covered by this Lease (or in each separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties shall be computed on the portion of the production, whether it be oil or gas, allocated to the land covered by this Lease and included in the unit just as though the production were from the land. The production from an oil well will be considered as production from the Lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and, production from a gas well will be considered as production from the Lease or gas pooled unit from which it is producing and not from an oil pooled unit.

The formation of any unit shall not have the effect of changing the ownership of any shut-in royalty which may become payable under this Lease. If this Lease now or later covers separate tracts, no pooling or unitization of royalty interest as between any separate tracts is intended or shall be implied or result merely from the inclusion of the separate tracts within this Lease, but Lessee shall nevertheless have the right to pool, as provided above, with the consequent allocation of production as provided above. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or later, either as to parties or amounts, from that as to any other part of the leased premises.

5. If at the expiration of the primary term, oil, gas, or other minerals are not being produced on or from the land, or on or from the land with which it is pooled, but Lessee is then engaged in any operations, or shall have completed a dry hole prior to the end of the primary term, this Lease shall remain in force, as provided in paragraph 2., so long as operations on the well or for drilling or reworking of any additional well are prosecuted with no cessation of more than ninety (90) consecutive days, and if they result in the production of oil, gas, or other minerals, so long as oil, gas, or other minerals are produced from the land, or from land pooled with it. If, after the expiration of the primary term of this Lease and after oil, gas, or other minerals are produced from the land, or from land pooled with it, the production should cease from any cause, this Lease shall not terminate if Lessee commences operations for drilling or reworking within ninety (90) days after the cessation of production, but shall remain in force and effect so long as operations are prosecuted with no cessation of more than ninety (90) consecutive days, and if they result in the production of oil, gas, or other minerals, so long thereafter as oil, gas, or other minerals are produced from the land, or from land pooled with it. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the leased premises as to any depths, and surrender this Lease as to that portion, portions, or depths, and be relieved of all obligations as to the acreage or depths surrendered.

6. Lessee shall have the right at any time during or after the expiration of this Lease to remove all property and fixtures placed on the land, including the right to draw and remove all casing. When reasonably necessary to accommodate an immediate impending use of the surface estate by Lessor, or anyone claiming by, through, or under Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any building or structure now on the land without Lessor's consent.

7. The rights of either party may be assigned in whole or in part, and the provisions of this Lease shall extend to their heirs, successors, and assigns; but, no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and, no change or division in ownership shall be binding on Lessee until sixty (60) days after Lessee is furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of the recorded instrument or instruments evidencing the changes or division of ownership. In the event of an assignment of this Lease, in whole or in part, liability for a breach of any obligation shall rest exclusively on the owner of this Lease or of a portion of it who commits the breach.

8. The breach by Lessee of any obligation arising under this Lease shall not work a forfeiture or termination of this Lease or cause a termination or reversion of the estate created by it, or be grounds for cancellation in whole or in part. No obligation to develop the leased premises shall arise during the primary term. Should oil, gas, or other minerals be discovered on the leased premises, then after the expiration of the primary term, Lessee shall develop the acreage retained as a reasonably prudent operator. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this Lease, Lessor shall notify Lessee in writing of the facts relied on as constituting a claimed breach of this Lease, and Lessee, if in default, shall have sixty (60) days after receipt of the notice in which to commence compliance with the obligations imposed by virtue of this Lease.

9. Lessor hereby ~~warrants and agrees to defend the title to the land~~ and agrees that Lessee, at its option, may discharge any tax, mortgage, or other lien on the land, either in whole or in part. In the event Lessee does so, it shall be subrogated to the lien discharged, with the right to enforce it and apply royalties and any other payments accruing under this Lease toward satisfying the lien. Without impairing Lessee's rights ~~under the warranty in event of failure of title~~, it is agreed that if this Lease covers a less interest in the oil, gas, or other minerals in all or any part of the land than the entire undivided fee simple estate (whether Lessor's interest is specified or not), or no interest, then the royalties, and other monies accruing from any part where this Lease covers less than the full interest, shall be paid only in the proportion which the Lessor's interest, if any, covered by this Lease, bears to the whole undivided fee simple estate. All royalty interest covered by this Lease (whether or not owned by Lessor) shall be paid out of the royalty provided for above. Should any one or more of the parties named above as Lessor fail to execute this Lease, it shall nevertheless be binding on the party or parties executing this Lease.

10. Should Lessee be prevented from complying with any express or implied covenant of this Lease, from conducting drilling or reworking operations, or from producing any oil, gas, or other minerals by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, or federal or state law or any order, rule, or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with any covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply with the provisions of this Lease; and, this Lease shall be extended while and so long as Lessee is prevented by any cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises, and the time while Lessee is so prevented shall not be counted against Lessee, notwithstanding anything in this Lease to the contrary. ****through no fault or lack of diligence by Lessee**

As to any pooling unit created, the entire leased acreage must be included, not a portion thereof.

See Addendum containing additional paragraphs attached hereto.

This Lease is executed as of the date of the acknowledgment of the undersigned's signature, but shall be deemed effective for all purposes as of the Effective Date stated above.

After recording please return to:
L.W. Lesikar
PO Box 121788
Fort Worth, TX 76121-1788

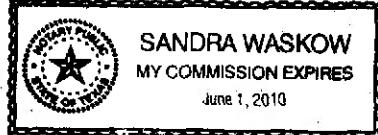
First Financial Trust & Asset Management Company, N.A., Trustee
of John Joseph Matthews Revocable Trust and of James Alexander
Matthews Revocable Trust

By: Randy Sivars
Senior Vice President

State of Texas

County of Taylor

This instrument was acknowledged before me on April 9, 2008, xxxxxx,
by Randy Spiva, Senior Vice President of FIRST FINANCIAL TRUST & ASSET
MANAGEMENT COMPANY, N.A., a national banking association, acting in the capacity indicated above, on behalf of said national
banking association. 



Notary Public, State of Texas

~~State of Texas~~

County of

This instrument was acknowledged before me on _____, 2007,
by _____ of FIRST FINANCIAL TRUST & ASSET
MANAGEMENT COMPANY, N.A., a national banking association, acting in the capacity indicated above, on behalf of said national
banking association.

Exhibit "A"

Addendum to Oil and Gas Lease

ATTACHED to and made a part of that certain Oil, Gas and Mineral Lease dated April 1, 2008 Between John Joseph Matthews, Revocable Trust and James Alexander Matthews, Revocable Trust, as Lessor and L.W. Lesikar, as Lessee.

The following agreements and provisions shall supersede the provisions in the printed form text of this lease to the contrary, and shall inure to the benefit of, and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns.

1. Lessee agrees that it will conduct no drilling, exploration or production operations on the surface of the leased premises. It is further agreed and understood that Lessee shall have the right to drill and operate directional wells through and under said land, irrespective of the bottom hole location of said well. To this end, Lessor hereby grants Lessee a subsurface easement for all purposes associated with such directional wells.
2. ~~Lessor hereby grants Lessee the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof as to all or any portion of the leased premises then held hereunder which would expire unless so extended. This option may be exercised by Lessee, or its successors and assigns, at any time before the expiration of the primary term hereof by paying to Lessor or to Lessor's credit at the depository bank which may be named herein, the sum of Two Hundred Fifty dollars (\$250.00) per net mineral acre for each acre so extended, which payment shall cover the two (2) years of the extended term and Lessor acknowledges that there will be no rental payments due for or during the extended term. Payment may be made by check or draft mailed or delivered to Lessor or to said depository bank which may be named herein. Should this option be exercised as herein provided, it is agreed that Lessee may execute and file of record an instrument evidencing the exercise of this option.~~
3. In the event that larger units than those permitted under paragraph (4) are required under any governmental rule or order (including, without limitation, field statewide rule, as applicable, of the Railroad Commission of Texas) for the drilling or operation of horizontal or directional well drilled at a regular location, or for obtaining maximum, allowable production from any horizontal or directional well drilled thereon, acreage from this lease may be pooled or unitized with other acreage to establish units which conform to the size required by such rule or order.
4. Notwithstanding the provisions contained in the lease, the annual shut-in royalty payment amount shall be twenty-five dollars (\$25) per net mineral acre. Lessee shall not have the right to continue this lease in force by payment of shut-in royalties for a cumulative period of more than two (2) years.
5. Lessor's royalty shall be free and clear of all costs and expenses whatsoever including separation, compression, marketing, transportation or treating oil or gas produced hereunder, save and except ad valorem and production taxes. Provided, however, Lessor's royalty shall be subject proportionally to any charges incurred by Lessee for compressing, treating, processing, gathering, transporting and marketing under Lessee's gas purchase contracts with a non-affiliated third party ~~covering the cost of production from the lands included in this lease~~.
6. In the event Lessee exercises its right to pool and unitize the lease premises with other land, all such land covered by this lease shall be included in same unit. ***
7. This lease is made by Lessor without warranty of title, either expressed or implied.
8. Lessee shall indemnify and save Lessor harmless from and against any and all claims, demands, and causes of action, of any nature, for injury to or the death of persons, and/or loss of or damage to property, resulting from or accruing in connection with or in any manner arising out of the exploration, development, or operation of the lease premises and the marketing of production, regardless of whether committed or contributed to by Lessee, its agents, contractors, licensees, or invitees.

*** Lessee shall promptly furnish Lessor with copies of any unit designation or pooling designation ~~within~~ thirty (30) days of the filing of any such designation.

9. Upon expiration or termination of this lease for any reason as to all or any portion of the land herein described, Lessee shall be obligated at its expense promptly to prepare, execute and file in the public records in the county in which such land or portion thereof is located an appropriate release instrument covering all or such portion of said land, and to forward a copy of same as so recorded to Lessor within sixty (60) days of the expiration of this lease.

10. Lessee shall be responsible for recording this instrument in the Public Records of the appropriate county. A copy of the recorded lease shall be delivered to Lessor with thirty (30) days of the recordation of this lease.

11. Unless specified otherwise herein, any information to be furnished hereunder, any notice required or permitted hereunder or any payment required hereunder shall be made to the parties at the addresses given below:

To Lessor - First Financial Trust & Asset Management Co., N. A., as
Trustee of the John Joseph Matthews Revocable Trust and
the James Alexander Matthews Revocable Trust
P. O. Box 701
Abilene, Texas 79604
ATTN: Mr. Randy Spiva

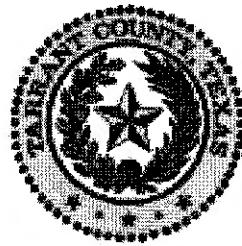
To Lessee - L. W. Lesikar
P. O. Box 121788
Fort Worth, Texas 76121

Any party may change its address by notifying the other party or parties in writing.

12. LESSEE represents that he or she is not an officer, director, or employee of First Financial Bankshares, Inc., or any of its subsidiaries, nor is LESSEE acting on behalf of any such officer, director, or employee.

13. In the event of a conflict between the terms and provisions of this Addendum and printed lease form, the terms and provisions of this Addendum shall control.

14. For purposes hereof, the price received by Lessee for sale of gas produced from the leased premises shall be deemed to be "market value" if such sale price is the result of a third party contract negotiated at arm's length by Lessee in good faith.



L W LESIKAR
P O BOX 121788

FT WORTH TX 76121

Submitter: LYNWOOD LESIKAR

SUZANNE HENDERSON
TARRANT COUNTY CLERK
TARRANT COUNTY COURTHOUSE
100 WEST WEATHERFORD
FORT WORTH, TX 76196-0401

DO NOT DESTROY
WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration 06/09/2008 03:08 PM
Instrument #: D208216714
LSE 5 PGS \$28.00

By: _____



D208216714

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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